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SAPC - 14675
Copy 5 of 7

13 April 1957

MEMORANDUM FOR: Contracting Officer

SUBJECT : UNIAF Audit Report - Contract SSC-55

1. I have made a rather careful review of the information contained in the subject audit report dated 6 February 1957, covering the period 17 July 1955 to 30 December 1956, and I should like to give you the assurance that the report denotes a very carefully planned approach to this audit operation.

2. The auditor performing the audit function must have examined the records in considerable detail or he would not have been able to pinpoint the small item of \$372.00 concerning the travel account of [redacted]. The treatment accorded this item by the accountant is most sound even though I am aware that the circumstances of the trip were such as to cause the Contracting Officer to accept this element of questioned costs as a direct charge to the contractor.

3. The major element of costs questioned by the auditor are set forth in Exhibit A and dismissed on page 2 of 4 of said exhibit.

4. The discussion shows that the accountant had a well-planned audit program and that he followed through on the program in great detail. He would undoubtedly have failed to question these costs had he not examined the greater portion of the time distribution records applicable to this undertaking.

5. You may use these comments for any purpose deemed necessary, and if you decide it advisable, possibly General Farnsworth would be interested to receive comments on the high type of audit consideration being afforded us by his group.

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[redacted]

Distribution:

Project Comptroller

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